

**04 NCAC 16G .0717      PRICING MATERIALS**

(a) In considering the pricing information, the Commissioner of Banks shall apply the following guidelines:

- (1) the materials shall be prepared by persons independent of the applicant who are experienced and expert in the area of corporate appraisal;
- (2) the materials shall contain a brief summary of data that is sufficient to support the conclusions reached; and
- (3) to the extent that the appraisal is based on the capitalization of the pro forma income of the converted savings bank, the materials shall indicate the basis for determination of the income to be derived from the proceeds of the sale of stock and demonstrate the appropriateness of the earnings multiple used, including assumptions made as to future earnings growth. To the extent that the appraisal is based on a comparison of the capital stock of the applicant with the outstanding capital stock of existing stock savings banks, the existing stock savings banks shall be comparable to the applicant in terms of such factors as size, market area, competitive conditions, profit history, and expected future earnings.

(b) In addition to the information required in Paragraph (a) of this Rule, the applicant shall submit information demonstrating to the Commissioner of Banks the independence and expertise of any person preparing materials under this Rule. A person shall not be considered as lacking independence for the reason that the person will participate in effecting a sale of capital stock under the plan of conversion or will receive a fee from the applicant for services rendered in connection with the appraisal.

*History Note:      Authority G.S. 54C-33; 54C-53;  
Eff. February 15, 1992;  
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